

*Entered January 9, 1968*  
*A.P.*

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE No. 3686  
Order No. R-3363

APPLICATION OF GULF OIL CORPORATION  
FOR DOWN-HOLE COMMINGLING, LEA COUNTY,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 8, 1967,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 9th day of January, 1968, the Commission, a  
quorum being present, having considered the testimony, the record,  
and the recommendations of the Examiner, and being fully advised  
in the premises,

FINDS:

(1) That due public notice having been given as required by  
law, the Commission has jurisdiction of this cause and the subject  
matter thereof.

(2) That the applicant, Gulf Oil Corporation, is the opera-  
tor of the Federal Mills Well No. 1, located in Unit C of Section  
11, Township 9 South, Range 36 East, NMPM, Lea County, New Mexico.

(3) That said well is presently completed and equipped to  
produce from perforations in the Allison-Abo Pool from 8970 feet  
to 8990 feet and from the open-hole interval in the Allison-  
Pennsylvanian Pool from 9670 feet to 9703 feet through parallel  
strings of tubing, separation of the two pools being achieved  
by means of a packer set at 9655 feet.

(4) That the applicant proposes to remove said packer and  
to produce both pools simultaneously into the well-bore of the

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subject well, with the provision that no more than one top allowable could be produced from the well.

(5) That the proposed commingling will not substantially reduce operating costs nor extend the producing life of either zone to any great degree.

(6) That there is insufficient data concerning the reservoir and reservoir fluid characteristics of the two zones to ensure that reservoir damage and waste will not result from the commingling.

(7) That the Abo formation produces considerably more water than the Pennsylvanian formation in the subject well; this larger amount of water, if the two zones are commingled in the well-bore, may have an adverse and detrimental effect on the Pennsylvanian zone in the subject well and nearby wells, thus causing waste and a violation of correlative rights.

(8) That the subject application should be denied.

IT IS THEREFORE ORDERED:

(1) That the subject application is hereby denied.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
DAVID F. CARGO, Chairman

  
GLYTON B. HAYS, Member

  
A. L. PORTER, Jr., Member & Secretary

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